GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1885
ANSWERED ON:09.03.2001
FALL IN THE SHARE PRICE OF IDBI
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Will the Minister of FINANCE be pleased to state:

(a) whether there is a consistent fall in the share prices of IDBI since 1995;

(b) if so, whether the fall in share prices of IDBI is normally due to large Non-Performing Assets of IDBI;

(c) if so, the steps taken to reduce NPA; and

(d) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): The yearly high and low of IDBI`s shares price since its listing on Mumbai Stock Exchange is given below :

Financial year	Yearly High (Rs.)	Yearly Low (Rs.)
1995-96	130.00	95.50
1996-97	138.50	81.00
1997-98	114.50	74.75
1998-99	120.00	29.00
1999-2000	75.10	26.00
2000-2001 (till 28th February)	53.25	29.20

(b),(c)&(d): The fall in share prices of IDBI is not attributable to the level of NPA alone, however, IDBI has initiated several measures for containing NPAs which inclue:

(1) Monitoring Cells have been set up for constantly monitoring performance of assisted companies to improve recovery and initiative timely remedial action.

(2) Restructuring Committees have been set up in various zones to look into a long-term viability of projects and recommend restructuring schemes.

(3) For taking expeditious decisions, Empowered Committee and High Powered Committee have been set up to consider One-time settlement cases and restructuring proposals.

Further, in order to improve credit quality, Credit Appraisal and Delivery System have been further strengthened. In the case of infrastructure sector, a three tier security mechanism i.e letter of credit, escrow facility and government guarantee, has been adopted.